

Proposition S ICOC Construction Committee Special PSA Meeting

Background: The ICOC, by resolution at its March 25, 2009 meeting, formed a five (5) ICOC member committee to consider Construction Implementation issues surrounding the SDUSD Board policy directing the establishment of a Project Stabilization Agreement for future SDUSD construction, including Proposition S construction. The ICOC appointed a balanced committee of Ray Moreno (Laborer's Union Local 89), Jim Frager (Cornerstone CMS, Inc), Daniel Morales (San Diego Housing Commission), Gregg Cantor (Murray Lampert Construction) and John Stump (CREAC CDC, Inc.). The committee was to meet and report back to the ICOC.

The committee met at the SDUSD Facilities Center on April 9, 2009; all ICOC Construction PSA members were present. Also present were SDUSD Prop S staff members, SDUSD Chief Counsel, representatives of three proposition MM construction contractors (Erickson-Hall Construction Co., Douglas E. Barnhart. and Roel Construction) and members of the Media (Voice of San Diego and Blog of San Diego). A sign in sheet was circulated by district staff and is available. John Stump acted as meeting Chairman and stated that without objection he would ask SDUSD staff to provide background and legal information, then the Contractors would make a presentation and those present would discuss. Members of the media were presented the opportunity to fully participate. The committee determined not to follow staff's option on non Brown Act ad-hoc exempt meetings. The Committee determined to foster full transparency and to issue a meeting report.

Report: District Staff presented information about the directing action of the Board of Education to negotiate a Project Stabilization Agreement. District Staff stated that wages for all school construction including Props MM and S would be at the prevailing wages established for San Diego region by the Department of Industrial Relations. The SDUSD Attorney described the history of PLA / PSA and that he had reviewed several from other jurisdictions including the agreement from the Los Angeles School District which had provisions for "local hires" from specific LAUSD zip codes. SDUSD staff stated there were no differences between a PLA and a PSA and the terms could be used interchangeably. The actual content of a PSA was variable and subject to negotiation. Negotiations have not begun and a closed session report is docketed for the Board of Education agenda of April 14th. The Board of Education will determine the content of any Project Stabilization Agreement (PSA).

Additional information concerning the PLA / PSA for PETCO Park's construction and several studies, identified by ICOC member John Gordon, were discussed as back round (Referenced studies will be provided by SDUSD staff). The history of presidential executive orders on PSA's was discussed. (SDUSD staff will provide copy of the current order to the ICOC) Staff passed out its summary of PSA's that had been included in the March 22nd ICOC agenda materials. There may be other related Executive Orders and regulations that need additional review and PSA consideration. Time did not permit the Committee to consider possible impacts on contractor-labor-jobs participation by veterans, -disabled persons, disadvantaged persons, women and other equity and economic justice issues. The Committee heard concerns about PSA impacts on contractors and subcontractors with in house labor forces. Increased costs and conflicts could occur for contractors with of non-union in-house labor.

Several contractors, with non-union and union workers, raised the following issues and concerns related to a PSA/PLA. None voiced support of a PSA/PLA. Contractors expressed concerns that a PSA could increase costs because of multiple benefit plans, apprentice programs, union / craft work rules, and related administration costs.

1. Actual Wages and Benefits are and will be prevailing wages set forth by Department of Industrial Relations [<http://www.dir.ca.gov/DLSR/PWD/SanDiego.html>];
2. The number of Bidders for SDUSD projects could be reduced if SDUSD had different rules than other public and school projects in San Diego County. Fewer Bidders would mean higher costs;
3. The number of State approved Apprentice Training programs could be reduced if the PSA excluded contractor operated Apprentice Training programs;
4. Project costs could increase if contractors had to employ workers based on craft or trade jurisdiction specific agreements rather than contractor defined work needs. Multiple workers might be required by work rules;
5. Fringe Benefits received by workers could be decreased if PSA had rules that did not resolve vesting and eligibility conflicts. Costs could increase if double Benefits system were required –in-house & union plans;
6. The PSA could foster labor-contractor disputes if resolution methods were not included; and
7. SDUD economic stimulus and local job opportunities could be lost if PSA did include SDUSD zip codes.

Recommendations: A Report should be prepared, reviewed by ICOC Committee members and presented at next ICOC meeting. The Committee desires to foster transparency, public noticing, and public participation. Attached: PLA Executive Order, 3 PSA Reports from John Gordon, ICOC Member, and SDUSD PSA Summary

Respectfully submitted

Daniel Morales, ICOC Member

April 16, 2009